



Department of Energy
Western Area Power Administration
Upper Great Plains Customer Service Region
P.O. Box 35800
Billings, MT 59107-5800

APR 19 2012

Request for Interest Regarding
the Purchase of Native American Renewable Energy Products

Dear Customers and Other Interested Parties:

Western Area Power Administration (Western), acting under authority of the Energy Policy Act of 2005 (EPAAct 2005) and at the request of the Cheyenne River Sioux Tribe (Tribe) and Citizens Energy Corporation, is seeking interest from Western customers in the Upper Great Plains Region regarding the purchase of renewable energy generated by wind energy projects located on tribal reservations.

EPAAct 2005 promotes Indian tribal energy development, efficiency, and use. Western, in recognition of the unique relationship that exists between tribes and the United States, encourages Indian tribal energy development, and as such, if requested by individual Western customers, may help said customers procure small amounts of tribal energy.

The purpose of this Request for Interest (RFI) is to initiate communications between the Tribe and Western's customers with the ultimate goal of identifying interested parties developing power purchase agreements. The Tribe recognizes the difficulty some smaller customers have in individually securing wind energy at a scale that makes economic sense. Consequently, it is making available to interested Western customers an innovative opportunity to potentially bundle Tribal wind energy purchases with other customers, through Western.

The enclosed documents provide a summary of information relating to the nature of the proposed Tribal Wind Energy Project as well as the information desired in response to this solicitation. I ask that you give consideration to this request and thank you for your time.

If you have questions regarding the attached RFI, please telephone Michael Radecki at (406) 255-2930 or e-mail at Radecki@wapa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Jody S. Sundsted", is written over a horizontal line.

Jody S. Sundsted
Power Marketing Manager

Enclosures (3)

**Western Area Power Administration
Request for Interest
Regarding the Purchase of Renewable Energy Products
April 2012**

1. PURPOSE: Western Area Power Administration (Western), a power marketing administration within the US Department of Energy, acting under authority of the Energy Policy Act of 2005 (EPAAct 2005) and at the request of the Cheyenne River Sioux Tribe (the Tribe) and Citizens Energy Corporation (Citizens Energy) is seeking interest from Western customers in the Upper Great Plains Region regarding the purchase of renewable energy generated from the Tribe's proposed 99-MW Tate Topa Wind Energy Project (Project) located on the tribal reservation.

EPAAct 2005 promotes Indian tribal energy development, efficiency, and use. Western, in recognition of the unique relationship that exists between tribes and the United States, encourages Indian tribal energy development. At the request of the Tribe and Citizens Energy, and in recognition of EPAAct 2005 and Western's unique relationship with the Tribe, Western is supporting the Tribe in development of its Project by inquiring as to interest from Western customers through this Request for Information (RFI).

The purpose of this RFI is to initiate discussions between the Cheyenne River Sioux Tribe and those Western customers interested in the long-term purchase of wind energy. The ultimate goal of this facilitation is to provide these customers the opportunity to individually secure wind energy, while providing a platform for the Tribe to secure a single financeable Power Purchase Agreement. Western, upon request from these specific customers, may arrange for the purchase and, if possible, the delivery of this tribal renewable energy to those customers.

This Project presents a unique opportunity for Western customers. Customers are not required to purchase the entire output of the Project, but may express interest in purchasing only a small portion of the Project to meet their needs. Western will provide the responses, including the aggregate of individual customer interest, to the Tribe and Citizens Energy. The Tribe and Citizens Energy will determine if sufficient interest exists, and if so, will begin detailed discussions with interested parties.

An expression of interest in tribal energy products is not binding or promissory. Failure to respond to this RFI does not preclude the ability to respond to any future request for proposals for the sale of tribal energy products should one be issued at a later date.

This RFI is not subject to the Federal Acquisition Regulation (FAR). This RFI is issued solely for information and planning purposes; it does not constitute a Request for Proposal (RFP) or a promise to issue an RFP. This RFI does not commit Western to contract for any supply or service. Responders are advised that Western will not pay any costs incurred in response to this RFI. All costs associated with responding to this RFI will be solely at the interested party's expense.

2. BACKGROUND: Western's Upper Great Plains Region markets power and energy from a series of hydroelectric plants located along the Missouri River in Montana, North and South Dakota.

The Cheyenne River Sioux Tribe is a Federally recognized Indian tribe located in Eagle Butte, South Dakota.

The Cheyenne River Sioux Tribe requested that Western inquire whether its customers in the Upper Great Plains Region are interested in purchasing renewable energy generated by a wind energy project located on its reservation. If interest is shown, the Tribe and Citizens Energy, have also asked Western to devise a methodology to aggregate the small purchases of individual customers, such that said purchases would create a Power Purchase Agreement that is financeable.

3. DEFINITIONS: The term Renewable Energy as used in this RFI is defined in Section 203 of the 2005 Energy Policy Act (Pub.L. 109-58): The electric energy, measured in megawatt-hours (MWh), which is generated from solar, wind, biomass, landfill gas, ocean (including tidal, wave, current, and thermal), geothermal, municipal solid waste, or new hydroelectric generation capacity achieved from increased efficiency or additions of new capacity at an existing hydroelectric project, and is physically delivered into the electric grid.

4.PROCESS AND TIMING:

4.1 Timing: Interest submitted in response to this RFI should be received by Western on or before Friday, May 11, 2012.

4.2 Submission of Interest: Western will accept the enclosed, "Non-Binding Expression of Interest Form-Wind Energy Purchase," provided by the Tribe and Citizens Energy. The forms may be faxed to Western at (406) 255-2900, ATTN: Michael Radecki, or e-mailed to Michael Radecki at Radecki@wapa.gov. Forms may also be submitted by mail via the U.S. Postal Service or an equivalent private mail carrier (e.g., UPS or FedEx). The physical address to use for UPS or FedEx is:

Western Area Power Administration
Upper Great Plains Region
ATTN: Michael Radecki.
2900 4th Avenue North
Billings, MT 59101

The address for submission of interest via the U.S. Postal Service is:

Western Area Power Administration
Upper Great Plains Region
ATTN: Michael Radecki.
P.O. Box 35800
Billings, MT 59107-5800

4.3 Questions: Questions regarding this RFI will be accepted via e-mail to Radecki@wapa.gov

4.4 Notification of Receipt: An acknowledgment of receipt of interest will not be provided. Those interested in verification of receipt by Western are strongly encouraged to ensure that adequate tracking measures are taken with respect to their mailed or faxed forms.

5. CONTACT:

Michael Radecki
(406) 255-2930



Sales Offering – Long-Term Fixed-Price Wind Energy at Today's Historically Low Prices

Varying amounts of wind-generated electricity will be sold to a series of interested customers at an **expected price between \$30.00 and \$40.00 per MWh** (final price and terms to be negotiated). All contracts will be fixed price, for periods between 10-20 years, providing customers with a firm hedge against uncertain future energy costs.

The Cheyenne River Sioux Tribe, in partnership with Citizens Energy Corporation, has developed a 99-MW wind project (the Project) on its tribal lands, and is now seeking to sell the power under a long-term Power Purchase Agreement (PPA). The Project has an executed Large Generator Interconnection Agreement with the Western Area Power Administration (Western) and would expect to begin generating power in the second half of 2013.

Many smaller customers have expressed interest in fixed price wind energy when prices are comparable to other generation sources. However, transaction costs for such purchases are typically prohibitive for small buyers. The unique structure of this offering allows smaller customers to minimize transaction costs and receive reduced pricing, typically reserved for large purchasers, by aggregating their purchases.

Customers can express interest and request additional information by returning the attached sheet and indicating the approximate amount of MWh they might desire on an annual basis. The Project expects to offer an annual total of approximately 375,000 MWh to customers. Contracting with customers will be conducted on a **first come – first serve** basis, until the total allotment of power has been contracted.

- Purchasing small amounts of wind power -
 - **Diversifies customer's generation mix**
 - **Locks in power pricing long-term, hedging against fuel cost increases**
 - **Takes advantage of wind pricing while turbines, contractors and interest rates are at historic lows**
 - **Allows small customers to directly buy wind power at prices typically reserved for large buyers**

Thank you very much,

Eileen Briggs – Cheyenne River Sioux Tribe

Braden Houston – Citizens Energy Corporation



Non-Binding Expression of Interest Form – Wind Energy Purchase

Our organization, _____, would be interested in beginning a discussion regarding the potential purchase, on a long-term, fixed-price basis, of wind-generated electricity.

On an annual basis, we might have an interest in procuring up to approximately _____ Mega-watt hours, if available.

Our preferred length of a purchase contract would be for _____ years. (Please select an amount between 10 and 20 years).

Comments: _____

Organization contact information

Name: _____

Title: _____

Phone: _____

Email: _____

Will this person ultimately have responsibility for purchase decisions? _____ If not, please also list the person that will.

Prior to Friday, May 11th, 2012, the Cheyenne River Sioux Tribe and Citizens Energy request the return of this document to:

Michael Radecki
Western Area Power Administration
1-406-255-2930

Email – radecki@wapa.gov

Fax – 1-406-255-2900

Mail – PO Box 35800
Billings, MT 59107

(If you choose to fax or mail this document, please also email Michael Radecki at his email above to confirm its receipt.)

This is a non-binding document, and the Cheyenne River Sioux Tribe and Citizens Energy reserve the right to alter or rescind this offering for the sale of wind generated electricity at any time for any reason.

Below line for official use only

Date and Time Received